



**SOUTH
CAROLINA
PORTS**

THE WORLD CONNECTS HERE

ANNUAL REPORT



“The SC Ports Authority has established itself as one of our state’s premier economic drivers, creating 1 in 10 jobs and \$63.4 billion in annual economic activity. By investing in the Charleston Harbor Deepening Project and construction on new and existing terminals, the Ports Authority has positioned itself and South Carolina for long-term economic success.”

— GOVERNOR HENRY MCMASTER

Cover photo by English Purcell

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South Carolina Ports Authority enters fiscal year 2021 with energy, optimism and resiliency as we look forward to welcoming new business and completing infrastructure.

SC Ports handled 2.32 million twenty-foot equivalent container units (TEUs) at the Port of Charleston in fiscal year 2020, which ended June 30, down 2.8% from fiscal year 2019. SC Ports moved 199,825 vehicles, up 2.5%, and welcomed 217,673 cruise passengers, up 2.2%.

Inland Port Greer finished the fiscal year with 140,155 rail moves, down 2.1%, while Inland Port Dillon achieved its highest fiscal year volume on record with 32,453 rail moves, up 9.7%.

We were on track to achieve yet another record fiscal year – with strong volumes from July through February – but the global pandemic disrupted supply chains and business operations worldwide. Despite these challenges, SC Ports worked tirelessly and creatively to remain fully operational and keep freight moving throughout the pandemic.

We also made great strides in our business recruitment efforts in fiscal year 2020, further growing and diversifying the cargo coming through our port.

We attracted more export transload commodities – such as forest products, refrigerated and agriculture goods, and resins – and secured more retail goods imports – including clothing and household goods. We look forward to Walmart building a 3-million-square-foot distribution center in the port-owned Ridgeville Commerce Park in Dorchester County; this \$220 million investment will create 1,000 jobs and boost port volumes by 5%.

Growing our cargo volumes strengthens our position as a top 10 U.S. container port and supports job growth in South Carolina. SC Ports is an important economic engine, creating 1 in 10 SC jobs.

We plan to further grow our cargo base by enhancing rail networks, continuing to be an incredibly well-run port, and delivering timely infrastructure.

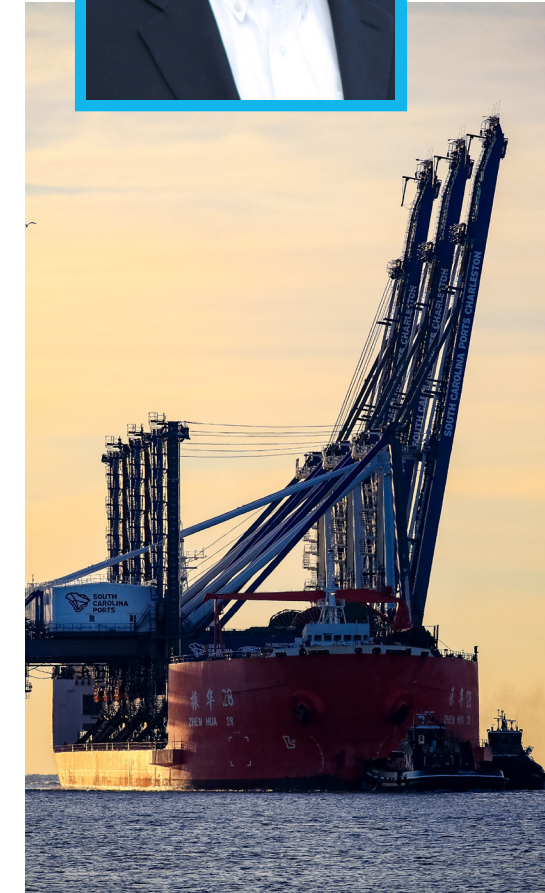
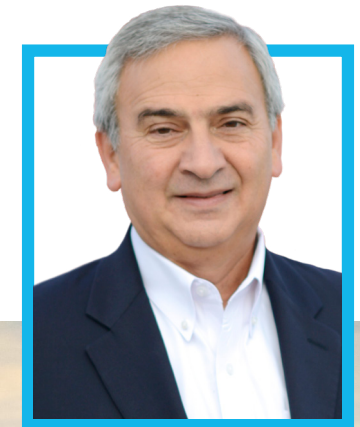
SC Ports is in the final year of a six-year capital improvement plan, culminating on years of strategic infrastructure planning to handle more cargo and accommodate bigger ships. Our \$2 billion capital plan is fully funded and on the cusp of being realized in 2021.

We look forward to opening the first phase of the Hugh K. Leatherman Terminal in March 2021, which will mark the country's first container terminal in more than a decade. This ongoing project complements efforts to modernize Wando Welch Terminal and deepen Charleston Harbor to 52 feet. These investments will enable us to handle four 14,000-TEU vessels simultaneously in 2021.

The Southeast remains the best place to be in the port business with a booming population to support imports and a strong business base to support exports. It is our job to ensure the efficient movement of goods for companies and consumers alike. We take great pride in this work.

We appreciate the continuous support from our Board of Directors, as well as our partnerships with elected officials and business leaders, as we pursue business initiatives and infrastructure projects.

We are, as always, deeply grateful to our incredibly talented maritime community. None of our successes would be possible without our teammates, who work so hard every day to move our organization forward. We have the best people in place and important infrastructure coming online at the right time. I have never been more excited about our future than I am today.



BILL STERN

CHAIRMAN, SCPA BOARD OF DIRECTORS

South Carolina Ports Authority has made great strides in recruiting new business and progressing infrastructure projects.



SC Ports finished fiscal year 2020 with relatively steady volumes compared to fiscal year 2019, despite impacts from the global pandemic. We are so grateful to the SC Ports team and entire maritime community for their essential service, ensuring the timely delivery of vital goods to businesses and communities during this time.

The Port's fundamentals remain as strong as ever. Customers benefit from access to the booming Southeast market, a deep-water harbor, consistently efficient terminal operations, two rail-served inland ports,

state-of-the art technology and equipment, and an incredibly talented workforce.

SC Ports continually attracts new business to the region, including one of its biggest wins in history with Walmart investing \$220 million into a 3-million-square-foot distribution center in Dorchester County.

SC Ports had the foresight to invest in the infrastructure needed to handle the influx of cargo and bigger ships. The first phase of the Hugh K. Leatherman Terminal will begin

operations in March 2021. The opening of the container terminal will be a monumental achievement for the Port and the state.

The Charleston Harbor Deepening Project is on track to achieve a 52-foot depth in 2021. The project is fully funded and will yield the deepest harbor on the East Coast, enabling SC Ports to handle ships of any size, at any tide.

We continue to partner with Georgia Ports Authority on pre-permitting activities for the Jasper Ocean Terminal.

We are also working to determine transloading and warehousing operations at the Port of Georgetown.

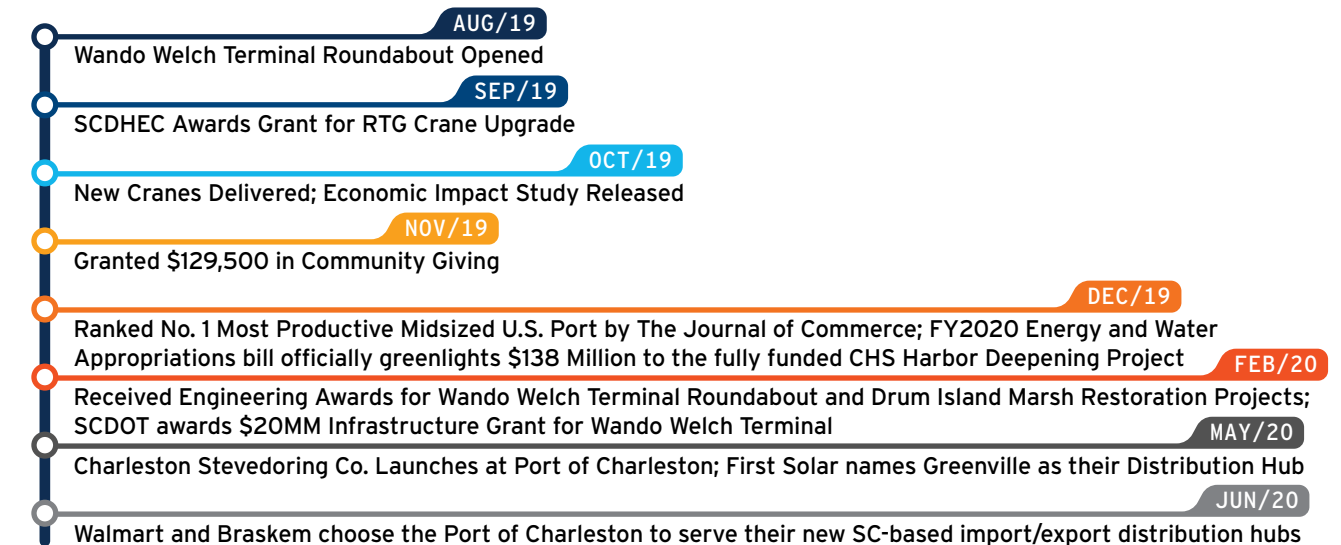
We are grateful to our Congressional delegation, the SC Legislature and Gov. Henry McMaster, as well as the state, county and business leaders, who continuously support our efforts to grow cargo volumes, build new infrastructure and deepen our harbor.

It is a great honor to serve as chairman of the board of such an impressive maritime agency, which has been named among *Best Places to Work in South Carolina* for the second year in a row.

I extend a heartfelt thank you to each board member, who commits their time and expertise to executing the great visions laid out by the SCPA senior management team.

The Port of Charleston is one of the most efficient ports in the country and a top 10 U.S. container port. I have no doubt that SC Ports will remain an economic engine for South Carolina, creating high-paying jobs and boosting the economy.

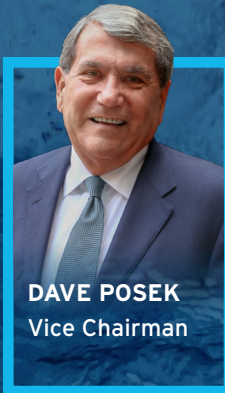
We are proud to continually invest in South Carolina, for South Carolinians. The world connects here.



BOARD OF DIRECTORS



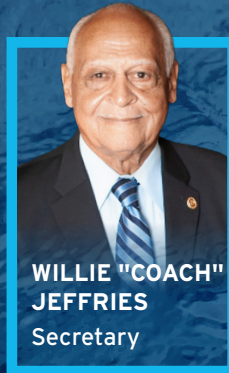
BILL STERN
Chairman



DAVE POSEK
Vice Chairman



KURT GRINDSTAFF
Treasurer



WILLIE "COACH" JEFFRIES
Secretary

EXECUTIVE TEAM



JIM NEWSOME
President and CEO



BARBARA MELVIN
Chief Operating Officer



PHIL PADGETT
Chief Financial Officer



WHIT SMITH



PAM LACKEY



WES JONES



KENNY JACKSON



MARK BUYCK



BEVERLY COWART
SVP Talent Solutions



PAUL MCCLINTOCK
SVP Marketing & Sales



JORDI YARBOROUGH
SVP External Affairs

CONDENSED STATEMENTS OF NET POSITION

ASSETS	FY2020	FY2019
Current	\$ 734,437	\$ 612,246
Non-Current assets and investments	1,604,216	1,397,984
Total Assets	2,338,653	2,010,230
Deferred Outflows of Resources	60,007	27,202
Total Assets and Deferred Outflows of Resources	\$ 2,398,660	\$ 2,037,432

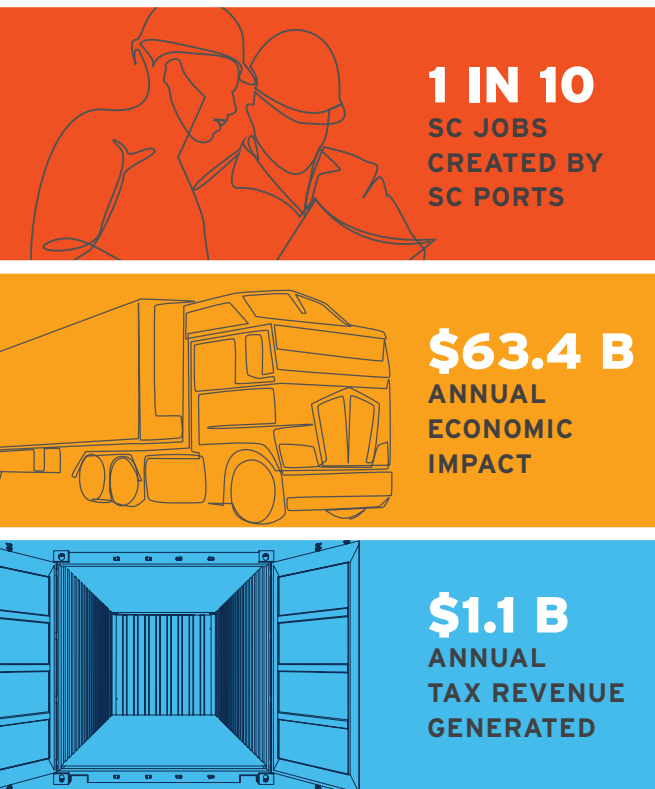
LIABILITIES	FY2020	FY2019
Current	\$ 112,466	\$ 81,042
Long-term debt	1,537,475	1,094,469
Total Liabilities	1,649,941	1,175,511
Deferred Inflows of Resources	4,757	5,420
Total Liabilities and Deferred Inflows of Resources	\$ 1,654,698	\$ 1,180,931

NET POSITION	FY2020	FY2019
Invested in capital assets, net of debt	\$ 548,444	\$ 712,008
Restricted for debt service, net of debt	36,173	34,161
Unrestricted	159,345	110,332
Total Net Position	743,962	856,501
Total Liabilities, Deferred Inflows of Resources & Net Position	\$ 2,398,660	\$ 2,037,432

CONDENSED STATEMENTS OF

REVENUES / EXPENSES / CHANGES IN NET POSITION	FY2020	FY2019
Operating revenues	\$ 292,256	\$ 294,326
Operating expenses	264,841	252,083
Operating income	27,415	42,243
Nonoperating (expense) income, net	(140,118)	(2,158)
Excess revenues over expenses before capital contributions	(112,703)	40,085
Capital contributions and special items	164	2,004
Change in net position	(112,539)	42,089
BEGINNING OF YEAR	856,501	814,412
END OF YEAR	\$ 743,962	\$ 856,501

CASH FLOWS	FY2020	FY2019
Cash flows from operating activities	\$ 88,679	\$ 90,481
Cash flows from investing activities	49,872	8,029
Cash flows from noncapital financing activities	(122,793)	(11,069)
Cash flows from capital and related financing activities	116,298	(100,891)
Net change in cash and cash equivalents	132,056	(13,450)
BEGINNING OF YEAR	\$ 538,518	\$ 551,968
END OF YEAR	\$ 670,574	\$ 538,518



ECONOMIC IMPACT

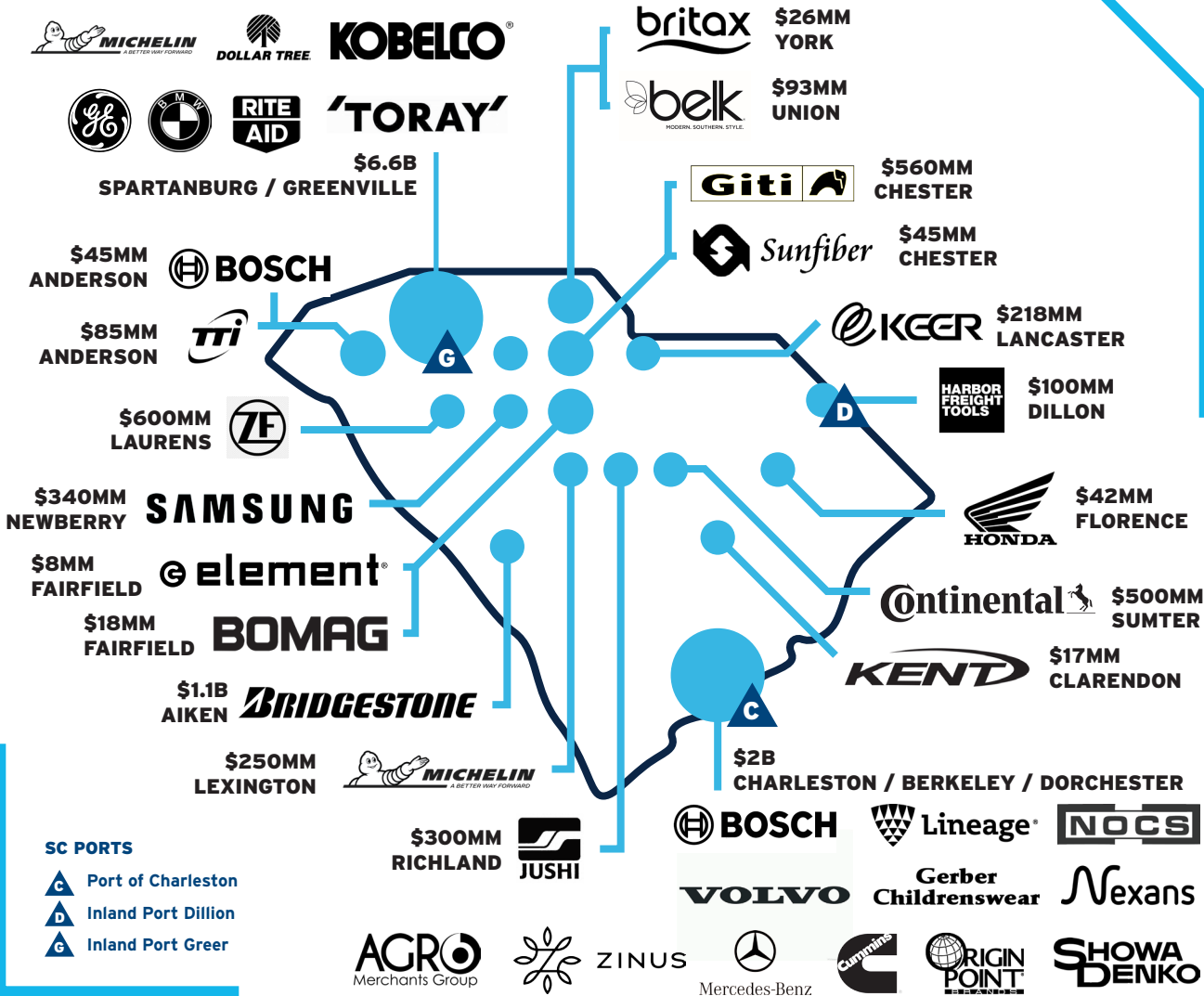
SC Ports drives economic growth in SC, serving as a key competitive advantage for the state.

Port operations support the state’s thriving business community and spur economic development by connecting South Carolina to global markets. Port operations also create high-wage jobs for South Carolinians. SC Ports generates 1 in 10 jobs statewide, and port-supported jobs pay 32% higher than the state’s average annual wage.

REGION	ECONOMIC IMPACT	JOBS	LABOR INCOME	IMPACT
Lowcountry	\$7.8 BILLION	27,781	\$1.5 BILLION	12.3%
Midlands	\$15.5 BILLION	55,346	\$3.1 BILLION	24.6%
Pee Dee	\$7.1 BILLION	25,275	\$1.4 BILLION	11.3%
Upstate	\$32.8 BILLION	116,561	\$6.6 BILLION	51.8%
Total	\$63.4 BILLION	224,963	\$12.8 BILLION	100%

Source: 2019 study by the University of South Carolina’s Darla Moore School of Business

SC PORT-DEPENDENT INDUSTRIES

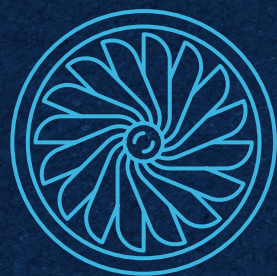


KEEPING FREIGHT MOVING

SC Ports was on track for another record year until the global pandemic hit, but our well-run Port operations and advantageous location in the booming Southeast market point to a strong rebound in FY21.

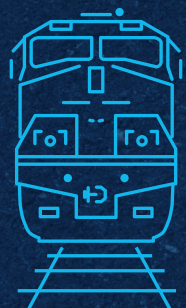
FY2020 VOLUME

in Thousands



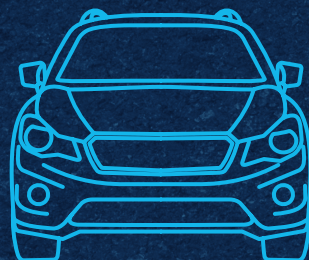
636.3

BREKBUK
CARGO
(PIER TONS)



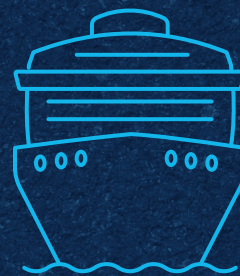
172.6

RAIL LIFTS AT
INLAND PORTS
(GREER & DILLON)



199.8

FINISHED
VEHICLES

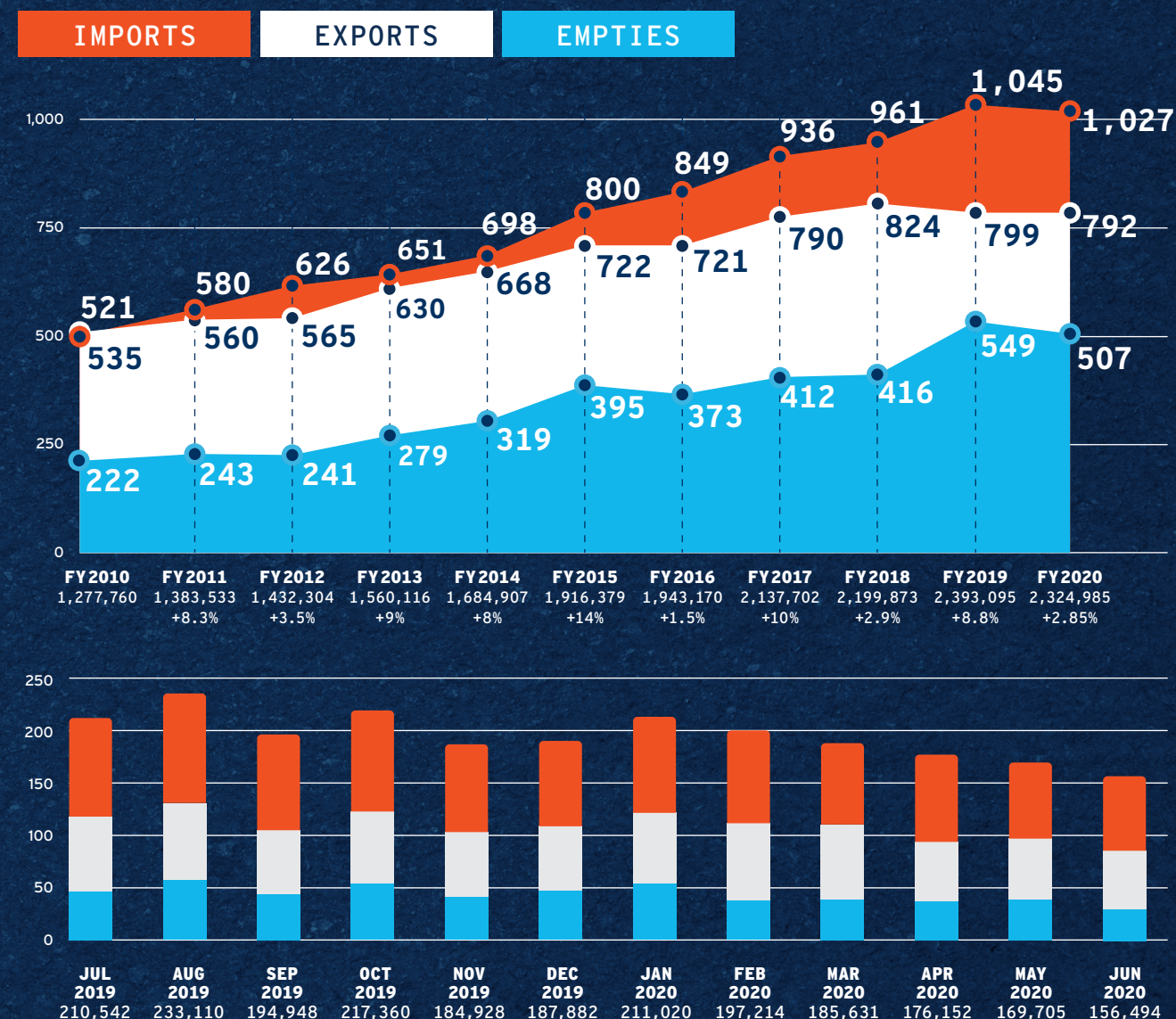


217.7

CRUISE
PASSENGERS

TEU VOLUME

Annual TEU Volume in Thousands





01 / LEATHERMAN TERMINAL

\$255M

SC Ports is on track to open the Hugh K. Leatherman Terminal (HLT) in North Charleston, SC, in March 2021. Phase One will consist of a 1,400-foot berth and five ship-to-shore cranes with 169 feet of lift height, adding 700,000 TEUs of capacity to SC Ports.

02 / OTHER INVESTMENTS

\$10M

SC Ports made additional investments to handle more cargo and optimize operations, such as an expansion of Inland Port Greer, and the launch of Tideworks, a new terminal operating system.

REALIZING INVESTMENTS

A \$329M investment for the future

SC Ports is in the last year of a six-year capital improvement plan that involves massive investment, planning and work. We made the right investments at the right time, which puts us in a good place as we emerge from the pandemic. We are realizing major infrastructure projects, including the opening of the Leatherman Terminal and deepening Charleston Harbor to 52 feet.

HLT and ship-to-shore crane arrival photos by Walter Lagarenne and English Purcell.



03 / WANDO TERMINAL

\$63.4M

SC Ports further modernized Wando Welch Terminal with three more ship-to-shore cranes with 155 feet of lift height, 24 rubber-tired gantry cranes, a new chassis yard and a new traffic roundabout. The full renovation will yield 15 ship-to-shore cranes with 155 feet of lift height, 65 rubber-tired gantry cranes, and a stronger wharf and more efficient terminal.

WWT Roundabout Photo by Richard Almes





HARBOR DEEPENING

FY2020 UPDATE

The significant Charleston Harbor Deepening Project is fully funded and on schedule, putting Charleston Harbor on track to be the deepest East Coast harbor in 2021.

The 52-foot depth is crucial to SC Ports' infrastructure investments and economic competitiveness. A deeper harbor ensures mega container ships can access port terminals at any time without tidal restrictions, further connecting SC to global markets.

The project reached a monumental milestone in 2019 when President Donald Trump included \$138 million for the

project in his fiscal year 2020 budget, funding it to completion. Congress approved the funding, and it was signed into law in December 2019. This crucial funding complements \$350 million from the state and \$108 million already appropriated by the federal government.

Work is underway on four of five dredging contracts. In November 2019, the U.S. Army Corps of Engineers -

Charleston District awarded the third dredging construction contract for the lower portion of Charleston Harbor up to Wando Welch Terminal. Dredges work 24/7 to deepen this stretch of the Wando River to 52 feet. This contract also involves widening the Wando Terminal access

channel and turning basin from 1,400 feet to 1,650 feet. These widenings will allow two 14,000-TEU-and-above ships to easily pass one another to access the terminal, and then seamlessly turn around before heading back to sea.

The fourth dredging contract, which began in September 2020, will deepen a stretch of the Cooper River up to the Hugh K. Leatherman Terminal, which is set to open in March 2021.



Photography by English Purcell



ENVIRONMENTAL INITIATIVES

SC Ports is constantly looking for ways to improve and minimize any environmental impacts while partnering with state and federal agencies where possible to bring lasting successes to the region.

Environmental photography by English Purcell. In partnership with the Lowcountry Land Trust through the establishment of a \$5,000,000 revolving fund, SC Ports has protected over 1000 acres of natural areas in the Cooper River Corridor as an environmental commitment for the Charleston Harbor Deepening Project.

01 Preserved an approximately 325-acre parcel of land in Ridgeville, South Carolina in partnership with The Open Space Institute, further protecting the Four Holes Swamp Watershed.

02 Partnered with Palmetto Green and other industry and environmental advocacy representatives, as well as federal and state agencies and conservation groups, to develop the first iteration of the Watershed Resources Registry, a tool to aid industry and environmental groups in future development and conservation efforts.

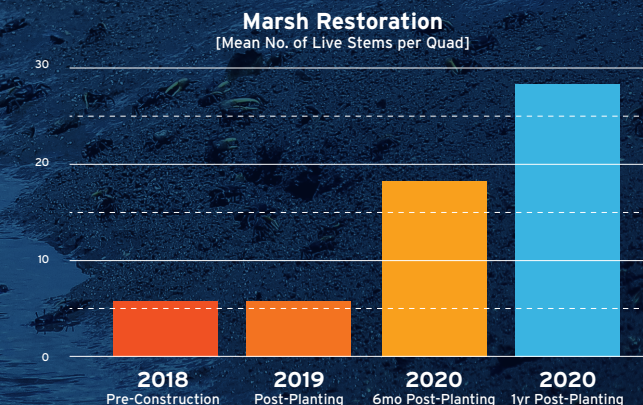
03 Introduced three hybrid rubber-tired gantry (RTG) cranes into service at the Wando Welch Terminal.

04 Set up an air quality monitoring station in North Charleston in partnership with SCDHEC.

05 Continued pre-permitting studies to support a large saltwater wetlands mitigation bank on Daniel Island.



06 Completed first year of monitoring at the Drum Island marsh restoration site. Constructed as part of the environmental commitments for the construction of the Hugh Leatherman Terminal, this 22-acre created marsh is establishing vegetation at a better than expected rate. The American Council of Engineering Companies of South Carolina recognized the Drum Island Marsh Restoration Project for engineering excellence in the environmental category.



FOSTERING SUPPORT

PORT AMBASSADOR PROGRAM

The SC Port Ambassador Program selects 25 delegates from around the state to gain a deeper understanding of SC Ports' strategic plan and foster support for key statewide initiatives. Ambassadors learn how the Port supports the state's thriving business community and spurs a \$63.4 billion annual economic impact throughout SC.

2019-2020 AMBASSADORS

FRANKLIN ADAMS

Adams Property Group, LLC

DAN BATTISTA

LOWE

RICHARD BLACKWELL

Agracel, Inc.

PEGGY BOYKIN

SC Public Employee Benefit Authority

SHANNON BRUNING

Burr Forman McNair

HUGH BUYCK

Buyck, Sanders and Simmons

JONATHAN COLEMAN

Laurens County Development Corp.

JOHN DAVEY

MAU Workforce Solutions

HUNTER DAWKINS

Johnson Development Asso.

SCOTT GARCIA

United Community Bank

ANN GRINDSTAFF

Retired CPA

SRIKANTH KODEBOYINA

Blue Eye Soft Corp

VIRGINIA LEE

First Citizens Bank

JOHN LUMMUS

Upstate SC Alliance

DEREK MATHIS

Suncap

ROBERT NUTLEY

Summerville Medical Center

ANITA PATEL

SC Dept. of Commerce

SHAQUITE PEGUES

Children's Defense Fund

SUSIE SHANNON

SC Council on Competitiveness

EMMA SHILLMAN

Hyatt Place + Hyatt House
Downtown Charleston

KATHERINE SOSEBEE

Turner Agency Insurance

DALTON TRESVANT

Office of Congressman James
E. Clyburn

**SHERRIE SNIPES-
WILLIAMS**

Charleston Promise
Neighborhood

WILL WILLIAMS

Economic Development
Partnership

"The Port Ambassador Program was an exciting and extremely enlightening experience for me. I never realized the vital economic importance that SC Ports has on our state and the entire Southeastern United States. Armed with the knowledge and training provided by the program, I hope to educate others about SC Ports."

— ANN GRINDSTAFF



"An efficient supply chain came under new appreciation this year. The SC Ports Authority and the entire maritime community has worked tirelessly to keep the supply chain fluid for customers and consumers. We are proud to support initiatives to increase awareness across the state, like the Port Ambassador Program, which creates a lasting network of leaders who understand our world-class Port system and its value to our state's economy."

SENATOR LARRY GROOMS

Chairman of the SC Senate Transportation Committee and the Review and Oversight Commission of the State Ports Authority (ROCSPA)

GIVING BACK

SC Ports awarded \$128,500 to 71 charitable organizations in fiscal year 2020.

The program provides grants to organizations in regions where SC Ports operates with the goal of positively impacting maritime commerce, economic development, environmental awareness, community outreach, education and workforce development efforts.

**FY2020'S \$5,000 GRANT
RECIPIENTS INCLUDE:**

A Backpack Journalist, Greenville Tech Foundation, Wounded Nature - Working Veterans, Dillon County First Steps and SC Future Makers.

Photograph by Zach Pippin

STRATEGIC INITIATIVES AND VALUES

Right Partners. Right Place. Right Time.

1. Excellence in Operations
2. Timely Infrastructure and Capacity
3. Cargo Base Expansion
4. Intermodal Rail Development
5. Talented Human Capital
6. Thought Leadership

PORT VALUES



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